

REMARKS

Claims 1-5, 7-13, 15-29, 31, 32, 34-42 and 44-48 are currently pending where claim 43 is canceled herein. In the Office Action, claims 1 and 42 were rejected under 35 U.S.C. §112, second paragraph, claims 1, 8, 18, 21 and 42 were objected to, claims 1-4 and 26-29 were rejected under 35 U.S.C. §103(a) as being unpatentable over Graves (6,575,361) in view of Teicher (6,065,675), claims 4-12, 29, 31 and 32 were rejected under 35 U.S.C. §103(a) as being unpatentable over Graves in view of Teicher and O'Leary (6,609,113), claims 13, 15-21, and 34-36 were rejected under 35 U.S.C. §103(a) as being unpatentable over Graves in view of Teicher and O'Leary in further in view of Demoff (6,456,984), and claims 22-25, 37-42, and 44-48 were rejected under 35 U.S.C. §103(a) as being unpatentable over Graves in view of Teicher, O'Leary, Demoff and Cohen (6,505,171).

Applicant respectfully traverses the §112, second paragraph rejection of claims 1 and 42.

The language being rejected based on antecedent basis existed as of an amendment submitted by Applicant on October 4, 2004. This rejection was not made in the intervening Office Action mailed 12/29/2004 and is only now made resulting in piecemeal examination against the strictures of MPEP 707.07(g). And this is a rather technical rejection in that the only discrepancy is that "charge number" does not precede subsequent occurrences of "issuing and transaction system." Nonetheless, claim 1 is amended by deleting the words "charge number" before the first occurrence of "issuing and transaction system" so that all references are uniform. Applicant requests approval of this amendment and withdrawal of this rejection.

Contrary to that stated in the Office Action, there does not appear to be a “similar problem” in claim 42. Claim 42 recites “A charge number issuing and processing system” which comprises “an issuing and transaction system” and a “switch network”, where the only other reference to the “issuing and transaction system” occurs at the end of the claim and uses the same language. Applicant submits that this rejection is improper or at least requests additional information regarding the alleged antecedent basis problem in this claim.

Claim 13 is amended to amend “issuing system” with “issuing and transaction system” for proper antecedent basis. Applicant requests approval of this amendment.

Applicant respectfully traverses the objection to claims 1, 8, 18, 21 and 42 based on the informalities of missing spaces between the words. The amendment dated August 5, 2005 was submitted by facsimile and the original document does not have the spacing problems indicated in the Office Action. Applicant respectfully submits that this problem is a function of the Patent Office’s facsimile machines. Nonetheless, this paper is being submitted by regular mail which should avoid the facsimile spacing problems.

In the prior Office Action, all of the pending claims 1-5, 7-13, 15-29, 31, 32, and 34-48 were rejected under 35 U.S.C. §103(a) as being unpatentable over Demoff in view of Cohen. Applicant filed an Amendment in response on August 5, 2005. In the present Office Action, a completely new set of rejections are made against the claims, yet paragraph 9 of the Office Action, in response to Applicant’s arguments in the August 5, 2005 response, states that “Applicant’s arguments filed 10/08/04 have been fully considered but they are not persuasive.” First, the reference to the amendment mailed October 5, 2004 appears to be in error since that was an amendment in response to a

restriction requirement. Second, Applicant's arguments in the August 5, 2005 response must have been sufficiently persuasive since entirely new rejections have been asserted. And for the record, Applicant respectfully requests that all of the previous rejections be withdrawn. Applicant will now address the entirely new rejections.

Applicant respectfully traverses the §103(a) rejection of claims 11-4 and 26-29 based on Graves in view of Teicher.

Claim 1 recites a method of *issuing* and transacting charge numbers using an electronic communications network. In the method of claim 1, a plurality of valid charge numbers from an issuing bank are received and stored by an issuing and transaction system. The issuing and transaction system detects a request by a user *via the electronic communications network* for a valid charge number, selects one of the valid charge numbers, and provides the selected valid charge number *via the electronic communications network* in response to the request. In other words, a charge number is selected and provided to the user via the electronic communications network in response to the user's request submitted through the electronic communications network.

In contrast, Graves describes a system and method for managing store-value card data over a communications network. As described in Graves (col. 2, lines 48-61), Graves process includes a *processing step* which allows for processing a "setup" card assigned to a location through each terminal at that location to capture respective identifiers of each terminal, e.g., terminal electronic signature. And Graves process includes an *associating step* which allows for associating in each stored record the captured identifiers to uniquely match a respective stored-value card and a respective terminal. An Graves includes a *transmitting step* which allows for transmitting a request

of stored-value card activation *to the central processor from a respective requesting terminal*, where the central processor is configured to accept the activation request based on whether the associated identifiers for the stored-value card to be activated match identifiers actually transmitted by the requesting terminal for that stored-value card and terminal.

In Graves' system, card data is already provided on stored-value cards, and the processing, associating and transmitting steps involve sending information via a network from the user to a central processor for processing a "setup" card. Yet Graves' process does not show detecting a request for a valid charge number via an electronic communications network and providing a selected charge number back to the user via the electronic communications network as recited in claim 1.

Applicant respectfully traverses the assertion that it would be obvious to modify the invention of Graves based on the teachings of Teicher. Although both references employ the term "stored-value", this term means two entirely different things in these two references. Teicher defined "stored-value devices" on col. 3, lines 21-42 as "any device or apparatus which is able to receive, store, and transfer electronic cash." And Teicher further states that in a system according to his invention, "a payment card contains at least one electronic purse, which serves as a stored-value device." (Teicher col. 3, lines 29-32). Such electronic purses are illustrated in FIGs 1A, 4A, 11 and 12 of Teicher, and this requires a storage element or memory device on the card, such as provided on smart cards and the like. And Teicher relies on the financial institution since directed towards a heterogeneous stored-value system in which each payment card further incorporates a

charge function (see FIGs 1A and 4A, item 8-6, FIG. 11, item 200-5, FIG. 12, item 300-4, etc.).

In Graves, there is no such stored-value device but instead Graves' disclosure is directed towards stored-value services. And the "motivation" behind Graves system is improvement of the type of prepaid cards that may be used without the user/customer having to have a bank account, to be linked to a financial institution, or to have any type of credit account. Yet such is required in Teicher based on the requirement of the charge function on or otherwise associated with the card. Thus, it would not be obvious to combine Teicher and Graves in the manner suggested by the Examiner to establish a prepaid cash account, to detect a purchase transaction, and to authorize the purchase transaction as recited in claim 1.

Further, Teicher does not teach establishing a prepaid cash account for the user by the issuing and transaction system as recited in claim 1. The first cited portion of Teicher (col. 2, lines 6-41) concerns "brands" and "branding" associated with *charge functions* but does not disclose or discuss establishing a prepaid cash account. The second cited portion of Teicher (col. 8, line 20 to col. 9, line 3) concerns electronic cash (or "e-cash") stored in an electronic purse of a payment card or in an electronic cash drawer of a POS. Stored e-cash on the payment cards is not a prepaid cash account established by an issuing and transaction system as recited in claim 1. In FIG. 1A of Teicher, the payment card 8 includes an electronic purse 8-1 with an e-cash balance 8-2. This is not a prepaid cash account, but instead is a cash value actually stored on the card itself. Likewise, the POS 6 includes an electronic cash drawer 6-4 which stores a cash amount. As described in Teicher (FIG. 1A and col. 11, line 28 to col. 12, line 23, FIG. 5 and col. 13, line 13 to

col. 14, line 12) the payment card is a heterogeneous stored-value system including a stored cash amount on the card and a charge function 8-6 with an account ID 8-3. The e-cash balance on the payment card is used for small transactions in which e-cash is exchanged with the POS device, and the charge function of the payment card is a credit-based function used for larger transactions.

And Teicher does not show or describe detecting a purchase transaction by an issuing and transaction system via a charge settlement network using the valid charge number and authorizing the purchase transaction if a cash balance of the prepaid cash account is sufficient for a purchase amount of the purchase transaction. In Teicher, if the cash balance stored on the payment card is sufficient to cover the transaction, the transaction is handled locally by an electronic purse payment unit 6-3 (col. 11, lines 55-57) and the transaction is not handled on the network. If the cash balance stored on the card is not sufficient, the transaction is either rejected or a charge (e.g., credit-based) transaction is conducted rather than a cash-based transaction. In claim 1, a charge number is used to enable a cash-based transaction across the electronic communications network.

Applicant respectfully submits, therefore, that claim 1 is allowable over Graves in view of Teicher. Claims 2-4 are also allowable as depending upon claim 1. Applicant requests withdrawal of the §103 rejection of these claims.

Further with respect to claim 4, Graves in view of Teicher does not show or describe detecting a request by a user via the electronic communications network for a valid charge number which comprises detecting an online purchase transaction between an online merchant and the user via a computer communications network. In Graves or

Teicher, a charge number, if used, is provided by the user via the network to consummate a transaction and neither shows, alone or in combination, providing the charge number to the user or merchant during the transaction itself. In other words, in claim 4, the charge number is newly provided to consummate the transaction while it is occurring rather than having been previously provided to the user.

Claim 26 is allowable over Graves in view of Teicher for similar reasons as claim 1. Graves in view of Teicher does not show or suggest a charge number issuing and transaction system for issuing and authorizing valid charge numbers via an electronic communications network as recited in claim 26. Graves in view of Teicher does not show or describe an issuing and transaction system which issues a valid charge number via the electronic communications network in response to a request by a user via the electronic communications network. As noted above with respect to Graves, card data is already provided on stored-value cards, and the processing, associating and transmitting steps in Graves' involve sending information via a network from the user to a central processor for processing a "setup" card. And Graves in view of Teicher does not show or describe a storage device that stores a plurality of valid charge numbers issued by an issuing bank and an accounts database including at least one prepaid cash account associated with the user. As noted above, Teicher uses e-cash stored on payment cards rather than prepaid cash accounts of an issuing and transaction system. And neither Graves nor Teicher nor any combination thereof shows an issuing and transaction system which is configured to authorize a purchase transaction submitted for authorization with the selected valid charge number via the charge settlement network if a cash balance in a prepaid cash account associated with the user is sufficient to cover a purchase amount of

the purchase transaction. Again, in Teicher, small cash transactions are handled locally between a card and a POS device and larger transactions are charge transactions handled by the network and not associated with prepaid cash accounts.

Thus, claim 26 is allowable over Graves in view of Teicher and claims 27-29 are allowable as depending upon claim 26. Applicant requests withdrawal of the §103 rejection of these claims.

Further with respect to claim 29, Graves in view of Teicher does not show or describe an issuing and transaction system which provides a selected valid charge number to an online merchant via the computer communications network to consummate an online purchase transaction with an online merchant for a user. In conventional systems including Teicher, the number is provided by the user to the merchant, either on the payment card or recited verbally, and the merchant submits the charge number via the charge settlement network to consummate a purchase transaction. Graves system concerns management of stored-value cards and does not concern the handling of purchase transactions.

Applicant respectfully traverses the §103(a) rejection of claims 4-12, 29, 31 and 32 based on Graves in view of Teicher and further in view of O'Leary.

O'Leary fails to overcome the deficiencies of Graves in view of Teicher with respect to independent claims 1 and 26, so that claims 4-12, 29, 31 and 32 are allowable as depending upon allowable base claims.

And further with respect to claims 5 and 29, O'Leary does not show providing the selected valid charge number by the issuing and transaction system to the online merchant via the computer communications network. As described in O'Leary (col. 7,

lines 8-12), O'Leary uses "push" technology in which users push an EFT credit from their account to a merchant's account. There is no discussion of any issuing and transaction system providing a valid charge number since a charge number, if any, originates from the user's account.

It is further noted, for this and subsequent rejections in the present Office Action, that the Examiner attempts to combine a significant number of references by picking and choosing aspects of each to formulate improper rejections while ignoring the overall teachings of each of the references. Each of the references generally deal with financial transactions in e-commerce, but otherwise teach substantially different and often conflicting ideas. Applicant respectfully submits that the Examiner is combining features of each reference in piecemeal fashion based on Applicant's claims without any suggestion within the references for the proposed combinations, which is improper hindsight. Applicant respectfully traverses such ad-hoc combination of otherwise unrelated references to formulate the improper rejections. Applicant respectfully submits that the inordinate number of combinations tends to weaken the rejections and support patentability.

Applicant respectfully traverses the §103(a) rejection of claims 13, 15-21 and 34-36 based on Graves in view of Teicher and O'Leary and Demoff.

Demoff fails to overcome the deficiencies of Graves in view of Teicher with respect to independent claims 1 and 26, so that claims 13, 15-21 and 34-36 are allowable as depending upon allowable base claims.

Applicant further submits that the only suggestion for additionally combining Demott with Graves, Teicher and O'Leary in this manner is Applicant's claims, which is

improper hindsight. As previously argued by Applicant, Demoff is particularly directed to *issuing credit* as payment in a consumer transaction (see Abstract) and employs a processing subsystem 28 that accesses a database 32 (and/or 34?) to determine *credit status* of the requesting customer before providing authorization (col. 3, lines 43-50).” Demoff’s Abstract and list of objects and invention beginning on col. 1, line 53 to col. 2, line 59 specifies over and over again a method and/or system “*for issuing credit*”. Demoff describes two different credit-based transaction scenarios (see Demoff, col. 5, lines 43-61). First, in a preferred embodiment the vendor is registered so that the system “carries out the *credit transaction* directly with registered vendors.” The “randomly generated or unique credit transaction number would be sent to the customer *only if* the vendor is not registered” (emphasis added). Second, for the unregistered vendor, the temporary credit transaction number is generated for that particular transaction, and “the vendor simply process (sic) the number through a conventional verification system like any other credit card number for appropriate authorization” (see Demoff, col. 6, lines 14-17). Demoff does not show or suggest a pre-paid cash account. And Applicant further submits that for these reasons among others, there is no suggestion for combining Demoff with the other art to achieve Applicant’s claims as described in the Office Action.

Further with respect to claim 13, Demoff does not show pre-certifying, by an issuing bank, the issuing and transaction system as processor for the plurality of valid charge numbers, and routing the selected one of the plurality of valid charge numbers to the issuing and transaction system. The portions of Demoff cited by the Examiner (col. 3) describe issuing a temporary credit transaction number. And as described in Demoff (col. 3, lines 53-63), these temporary credit transaction numbers are processed and

validated using the “traditional channels as conventional credit card providers” rather than pre-certifying the issuing and transaction system as processor as processor and routing the charge numbers to the issuing and transaction system. For similar reasons, Graves in view of Teicher and O’Leary and Demoff does not show routing the purchase transaction information to the issuing and purchase transaction system and processing, by the issuing and transaction system, the purchase transaction information as recited in claim 16, which is also applicable to claims 17-21 which depend upon claim 16.

Applicant respectfully traverses the §103(a) rejection of claims 22-25, 37-42, and 44-48 based on Graves in view of Teicher, O’Leary, Demoff and Cohen.

Cohen fails to overcome the deficiencies of Graves in view of Teicher with respect to independent claims 1 and 26, so that claims 22-25 and 37-41 are allowable as depending upon allowable base claims. Applicant further submits that the only suggestion for additionally combining Cohen with Graves, Teicher, O’Leary and Demoff in this manner is Applicant’s claims, which is improper hindsight.

Claim 42 is allowable over Graves in view of Teicher, O’Leary, Demoff and Cohen since none of the references alone or in combination show an issuing and transaction system including a storage device that stores a plurality of valid charge numbers issued by an issuing bank and that stores an accounts database including at least one prepaid cash account and a transaction system that detects requests for charge numbers via the electronic communications network, that provides a selected one of the plurality of valid charge numbers via the electronic communications network in response to the request, and that is configured to authorize a purchase transaction submitted for authorization via the charge settlement network with a selected one of the plurality of

valid charge numbers if a cash balance in a prepaid cash account is sufficient to cover a purchase amount of the purchase transaction. The points have been addressed above with respect to Graves and Teicher for claims 1 and 26, and O'Leary, Demoff and Cohen fail to overcome the deficiencies of Graves and Teicher. Claims 44-48 are allowable as depending upon allowable claim 42. Applicant requests withdrawal of this rejection.

Claims 42 and 44-48 are allowable for the additional reason that Graves in view of Teicher, O'Leary, Demoff and Cohen does not show a switch network that routes any of the plurality of valid charge numbers entered into the charge settlement network to the issuing and transaction system for processing.

None of the amendments made herein were related to the statutory requirements of patentability, but instead were made for purposes of clarity and to remove extraneous and/or unnecessary language. Also, none of the amendments were made for the purpose of narrowing the scope of any claim.

CONCLUSION

Applicant respectfully submits that for the reasons recited above and for various other reasons, the objections and rejections have been overcome and should be withdrawn. Applicant respectfully submits therefore that the present application is in a condition for allowance and reconsideration is respectfully requested. Should this response be considered inadequate or non-responsive for any reason, or should the Examiner have any questions, comments or suggestions that would expedite the prosecution of the present case to allowance, Applicants' undersigned representative earnestly requests a telephone conference.

Respectfully submitted,

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